

For: State and County Offices

Processing Transfers of Farm-Stored Loan to Warehouse-Stored Loan for Peanuts

Approved by: Deputy Administrator, Farm Programs



1 Overview

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Background

Procedure allows for transferring a farm-stored peanut loan to a warehouse-stored loan where loan amount is adjusted for premiums and discounts.

Transfer process in APSS:

- creates a **new** warehouse-stored loan with a new loan number
- maintains the same disbursement date and maturity date as original farm-stored loan.

Currently, County Offices cannot process a transfer of a farm-stored peanut loan to a warehouse-stored loan in APSS. A modified software for this purpose will not be available until the 2003 crop year.

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Purpose

This notice provides State and County Offices with instructions for transferring a farm-stored peanut loan to a warehouse-stored loan until modified software is available.

Disposal Date

June 1, 2003

Distribution

State Offices; State Offices relay to County Offices

2 General Information

A Processing Transfers in APSS

County Offices shall process transfer of a farm-stored peanut loan to a warehouse-stored loan in APSS in this order:

- process manual warehouse-stored loan according to paragraph 3, and:
 - use same disbursement date as farm-stored loan
 - disburse loan proceeds payable to:
 - CCC for farm-stored loan disbursement amount
 - producer for remaining balance when applicable
- reverse farm-stored loan and create a receivable according to paragraph 4
- repay receivable created when farm-stored loan was reversed using loan proceeds from warehouse-stored loan according to paragraph 5.

Explanation: It is necessary to process the manual warehouse-stored loan first in order to determine whether loan proceeds are enough to cover farm-stored loan amount. If there is a shortfall, interest shall be applicable according to subparagraph 4 A.

3 Processing the Manual Warehouse-Stored Peanut Loan

A Determining Loan Information

Before establishing warehouse-stored loan in APSS, County Offices shall manually complete the loan worksheet in Exhibit 1. Worksheet will provide guidance in entering certain important dates and transactions to ensure the warehouse-stored loan is recorded properly.

Complete loan worksheet according to the following:

- under “Farm-Stored Loan”, Column 1, enter dates and applicable information from **original farm-stored loan**
- under “Warehouse-Stored Loan”, Column 2, enter dates and applicable information as instructed.

Exhibit 2 shows a sample of a completed worksheet.

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3 Processing the Manual Warehouse-Stored Peanut Loan (Continued)

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Processing Warehouse-Stored Loan in APSS

Process manual warehouse-stored loan in APSS according to 12-PS, Part 4, and the following instructions:

- record as manual loan, using 90000 series loan number
 - use the loan worksheet to determine and enter:
 - loan application date
 - document received date
 - warehouse receipt issued date
 - commodity received date
 - disbursement date
 - lien search date
 - loan approval date
 - amount to be issued to CCC
 - on Screen PLC12010, manual loan amount and disbursement amount shall be the **same** as displayed calculated loan amount and disbursement
 - process manually disbursed loan amount as follows:
 - if warehouse-stored loan disbursement amount is **less** than or equal to the farm-stored loan disbursement amount, issue **all** loan proceeds to CCC
 - if warehouse-stored loan disbursement amount is **more** than farm-stored loan amount, issue:
 - disbursement amount of farm-stored loan, or receivable to be created, to CCC
 - remaining loan disbursement amount to producer.
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4 Creating Receivable for Farm-Stored Peanut Loan

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Creating Receivable in APSS

County Offices shall create a receivable for farm-stored loan by using Option 7, “Correct a Loan/LDP”, from the Price Support Main Menu PCA005 as follows:

- select applicable loan number and producer
- Screen PXA00005, ENTER “Y” next to Loan Making transaction type
- Screen ANK52010, answer “N” to the question, “Do you have this check in your office?”
- Screen ANK52020:
 - the Basis of Debt Code will be defaulted to “10341”
 - if warehouse-stored loan amount is:
 - **greater** than farm-stored loan disbursement amount, **do not** enter any additional information or change any data on this screen
 - **less** than farm-stored loan disbursement amount, and will not completely liquidate the receivable, ENTER:
 - **current date** as Interest Start Date
 - **“CCCINT”** as Interest Program Code
 - PRESS “ENTER”
 - answer “Y” to the question, “Do you want an initial notification letter printed?”
- Screen ANK52026, ENTER reason code “1”
- Screen AQK15201, ENTER the following statement as Basis of Debt Text:
“the transfer of your farm-stored peanut Loan No. XXXXX to a warehouse-stored peanut loan”

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4 Creating Receivable for Farm-Stored Peanut Loan (Continued)

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Creating Receivable in APSS (Continued)

- user will be prompted on Screen AQKRPT01 to print the following documents:
 - receivable establishment verification report
 - producer notification letter.

Producer notification letter will be mailed to the producer **only if a balance remains** after warehouse-stored loan proceeds have been applied to receivable amount.

5 Repaying Receivable Created for Farm-Stored Loan

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Applying Loan Proceeds to Receivable

County Offices shall apply loan proceeds from warehouse-stored loan to receivable created when farm-stored loan was reversed, according to 67-FI.

The producer notification letter printed during the correction process in paragraph 4 shall be:

- marked “Paid” and filed in the loan folder if the receivable is **paid in full** and **no** balance remains
- revised to reflect the unpaid balance if the receivable is **not paid in full** and a balance remains outstanding.

Note: This revised letter shall be mailed immediately to the producers.

6 Repaying Warehouse-Stored Loan Processed According to This Notice

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Loan Repayment

Warehouse-stored loans processed according to this notice shall be repaid in normal manner according to 8-LP, Part 9, and 12-PS, Part 7.

APSS will calculate a storage credit from the “Date Documents Received” date to repayment date.

Farm-to-Warehouse Loan Transfer Worksheet

Farm-to-Warehouse Loan Transfer Worksheet			
Farm-Stored Loan		Warehouse-Stored Loan	
	Enter applicable information.		Enter applicable information.
Information	Column 1	Information	Column 2
Loan Application Date		Enter Same as Farm-Stored Column 1	
Document Received Date		Enter Storage Date From Warehouse Receipt	
Receipt Issued Date		Enter as Shown on Warehouse Receipt	
Commodity Received Date		Enter as Shown on Warehouse Receipt	
Disbursement Date		Enter Same as Farm-Stored Column 1	
Lien Search Date		Enter Same as Farm-Stored Column 1	
Loan Approval Date		Enter Same as Farm-Stored Column 1	
Amount of disbursement for (producer name & share).	\$	Issue check to CCC for smaller of: • column 1 amount, or • loan proceeds.	\$
		Issue remaining amount to producer, when applicable.	\$
Amount of disbursement for (producer name & share).	\$	Issue check to CCC for smaller of: • column 1 amount, or • loan proceeds.	\$
		Issue remaining amount to producer, when applicable.	\$

Example: Farm-to-Warehouse Loan Worksheet

Producer applied for farm-stored certified peanut loan for 2 tons of peanuts on December 1, 2002. Farm-stored loan was disbursed by County Office on December 31, 2002. On January 22, 2003, producer requested to transfer farm-stored loan to a warehouse-stored loan. Producer filed CCC-681 with County Office authorizing transfer of loan collateral from a farm storage facility to a CCC-approved warehouse.

After inspection and grading, the peanuts were delivered to warehouse, and producer was issued a warehouse receipt which he took to County Office.

Before recording the transfer in APSS, County Office shall complete information relating to dates associated with the loans.

Farm-to-Warehouse Loan Transfer Worksheet			
Farm-Stored Loan		Warehouse-Stored Loan	
	Enter applicable information.		Enter applicable information.
Information	Column 1	Information	Column 2
Loan Application Date	12/1/02	Enter Same as Farm-Stored Column 1	12/1/02
Document Received Date		Enter Storage Date From Warehouse Receipt	1/22/03
Receipt Issued Date		Enter as Shown on Warehouse Receipt	1/22/03
Commodity Received Date		Enter as Shown on Warehouse Receipt	1/22/03
Disbursement Date	12/31/02	Enter Same as Farm-Stored Column 1	12/31/02
Lien Search Date	12/31/02	Enter Same as Farm-Stored Column 1	12/31/02
Loan Approval Date	12/31/02	Enter Same as Farm-Stored Column 1	12/31/02
Amount of disbursement for (producer name & share).	\$707.88	Issue check to CCC for smaller of: • column 1 amount, or • loan proceeds.	\$686.77
		Issue remaining amount to producer, when applicable.	\$0.00
Amount of disbursement for (producer name & share).	\$	Issue check to CCC for smaller of: • column 1 amount, or • loan proceeds.	\$0.00
		Issue remaining amount to producer, when applicable.	\$0.00

Note: The \$686.77 loan proceeds would be applied to the receivable following paragraph 5.